FORM MR-AR (Revised 2/2001)

## STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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DIV. OF OIL, GAS & MINING

## ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

| 1.    | Report Time Period: From (mo./yr.) 1-2004 To (mo./yr.) 12-2004                                      |
|-------|-----------------------------------------------------------------------------------------------------|
| 2.    | DOGM File Number (Mine No): <u>M/39/000</u> Z                                                       |
| 3.    | Mine Name: REPMOND MINERALS CLAY + SALT MINES                                                       |
| 4.    | Mineral(s) Mined (or permitted to mine): BENTONITE & SAT                                            |
| 5.    | Type of mine: Surface Mine or Underground Mine                                                      |
| 6.    | Legal Description (Location of Lands Affected):                                                     |
|       | <u>W</u> 1/4, <u>W</u> 1/4, <u>1/4</u> , Section <u>24</u> , Township <u>205</u> , Range <u>/ W</u> |
|       | 1/4,1/4, Section, Township, Range                                                                   |
|       | 1/4,1/4, Section, Township, Range                                                                   |
| 7.    | Name of Operator or Company: PEDHOND MINERALS INC.                                                  |
| 8.    | Permanent Street Address: 6005 N 100 W                                                              |
|       | City, State, Zip: REDMOND, UT 8465 Z                                                                |
|       | Phone: 435- 529-7402 Fax: 435-529-7426                                                              |
| 9.    | Company Representative (or designated operator):                                                    |
|       | Name: PETEL OGDEN                                                                                   |
|       | Title: PLANT ENGINEER                                                                               |
|       | Business Address: 6005N 1000                                                                        |
|       | City, State, Zip: REONERD, UT 89652                                                                 |
|       | Phone: 435-529-7402 Fax:                                                                            |
|       | Please check if any of the above information has changed since previous year.                       |
| Minin | ng and Reclamation                                                                                  |
| 1.    | Was there any mine related activity during the past year? Yes → No □                                |
| 2.    | If no - what was the last year of activity?                                                         |
| 3.    | If yes - how much ore or mineral was mined?                                                         |

| 4.                        | Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.           |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           |                                                                                                                                                                     |
|                           | NO NEW SURFACE GROWNO WAS DISTURBED                                                                                                                                 |
| 5.                        | How much additional acreage was disturbed during the past year?                                                                                                     |
| 6.                        | How much acreage was reclaimed during the past year?                                                                                                                |
| 7.                        | Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.           |
| 8.<br>9.                  | What is the total disturbed acreage of entire project at years end? 90 Aeres                                                                                        |
| ,                         | Briefly summarize any mining and/or reclamation plans for the upcoming year.  No CHANGES                                                                            |
| NOTE: Sect                | cion III., "Additional Information" applies only to <u>large mining operations</u> .                                                                                |
| III. <u>Addition</u>      | al Information - R647-4-121.2 and .3                                                                                                                                |
| 1.                        | The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.     |
| 2.                        | The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request. |
| IV. <u>Signatur</u>       | re Requirement                                                                                                                                                      |
| I he                      | reby certify that the foregoing is true and correct.                                                                                                                |
|                           | Name (Typed or Print): PETER OGDEN                                                                                                                                  |
|                           | Title of Operator: PLANT ENGINEER                                                                                                                                   |
|                           | Signature of Operator:                                                                                                                                              |
|                           | Date: 1/3/04                                                                                                                                                        |
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